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UNCLAS OTTAWA 001460

SIPDIS

SENSITIVE

E.O. 12958: N/A

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SUBJECT: OTTAWA'S CHARGE CALLED TO MEET TRADE MINISTER
PETERSON OVER CUBAN ASSETS CONTROL REGULATIONS

REF: 04 OTTAWA 0366

1. (SBU) On May 12, Charge John Dickson met with International Trade Minister Peterson at the Minister's request to discuss U.S. designation of Caribe Sol and Hola Sun as Specially Designated Nationals under the Cuban Assets Control Regulations (comment: Minister Peterson also included Internet Cubaweb Communications as an affected company, although our information is that ICC has not been designated as an SDN. End comment.) Minister Peterson made a low-key pitch on the issue, asking if we could explore the possibility of "doing something to help three little Canadian companies who face bankruptcy." Apparently, the companies had been processing their credit-card payments through the Bank of Nova Scotia, which subcontracted to Paymentech Canada, a subsidiary of the U.S. firm; following the Treasury designation, Paymentech stopped processing the payments. ITCAN officials did not know whether the firms actually had assets frozen or had just been denied service; apparently they are currently suing the Bank of Nova Scotia for breach of contract.

2. (SBU) In response, the Charge promised to relay Canadian concerns to Washington, but pointed out that under the Cuban Assets Control Regulations, overseas subsidiaries of U.S. companies (such as Paymentech Canada) are prohibited from dealing with any specially designated national of Cuba. We do not know whether the two designated companies have appealed their designation.

3. (SBU) Once Minister Peterson's office provides further details, we will pass this information to the Cuba desk and WHA/L.

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DICKSON